

Before the
Federal Communications Commission
Washington, D.C. 20554

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FEDERAL COMMUNICATIONS COMMISSION
OFFICE OF SECRETARY

In the Matter of)
)
Revision of Filing Requirements)

CC Docket No. 96-23

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COMMENTS

BellSouth Corporation and BellSouth Telecommunications, Inc. ("BellSouth") hereby submit their comments on the Commission's Notice of Proposed Rulemaking ("Notice") released on February 27, 1996, in the above referenced proceeding.

The Notice represents another step in the Commission's ongoing effort to reduce the burden of unnecessary regulation and its consequential impact on the public. In particular, the Commission proposes to eliminate certain reporting requirements that have outlived their original purposes and to reduce the filing frequency of still other reports.

BellSouth applauds the Commission's demonstrated willingness to seek and implement improvements to its regulatory processes and supports the actions proposed in the Notice.¹ In addition, BellSouth urges elimination or reduction of additional, related reporting requirements for the same reasons advanced for those addressed by the Notice.

¹ BellSouth will focus its support in these comments only on those reporting requirements to which it is subject. BellSouth does not oppose the proposed elimination or modification of any of the reporting requirements to which it is not subject.

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A. Elimination of Reports Proposed in the Notice

1. Equal Access Progress Report; Construction Budget Summary. The Commission originally required these reports in conjunction with its grant of certain authorizations necessary to implement the divestiture of the RBOCs from AT&T. As recognized in the Notice,² the Commission once before solicited comment on a proposal to eliminate these reporting requirements and received nothing but favorable comment. BellSouth supports elimination of these requirements.

2. BOC CPE Installation and Maintenance Reports and Nondiscrimination Affidavits. The Commission originally established these requirements almost nine years ago to afford the Commission a means of monitoring BOC installation and maintenance activity as the BOCs began offering CPE on an integrated basis with network services. During this period, the Commission has not received a formal complaint from any party alleging unlawful discrimination by a BOC in the provision of installation and maintenance services to customers of competing CPE vendors.³

Meanwhile, the reporting requirement has imposed administrative burdens that are significant in comparison with any benefit that may attributed to these reports. These burdens include, for example, continuous training (due to personnel turnover) of service representatives to properly mark records so they will be included in data extracts generated to create or support the reports; periodic reviews to ensure records are being marked properly; the interruption of normal business activity to run the programs to

² Notice, at para. 3 and n. 5.

³ Notice, at para. 8.

generate the reports; and programming activities necessary to ensure the reports still can be generated as support systems are improved or replaced.

Elimination of these reporting requirements will not only allow BOCs to reduce unnecessary costs and operate more efficiently, it will do so without impairing the Commission's ability to rely on the complaint process to redress any allegation of unlawful installation or maintenance discrimination, just as with any discrimination claim. Accordingly, these reporting requirements should be eliminated.

3. BOC Sales Agency Reports. As a condition of structural relief in the BOC CPE Relief Order, the Commission required the BOCs to provide nonaffiliated CPE vendors a meaningful opportunity to market their CPE products with the BOCs' network service offerings. The reporting obligation was imposed as a means of identifying services included in a BOC's sales agency program and of monitoring the "meaningful opportunity" requirement by comparing levels of commissions paid to nonaffiliated sales agents with those paid to internal sales agents, if any. Notwithstanding the original reasons for these reports, the Commission observes in the Notice that they are not being used for any material purpose.⁴ Accordingly, BellSouth supports the proposal to eliminate their filing.

4. Billing and Collection Contracts. The Commission required LECs to file a report of all their billing and collection contracts, and to update the list as needed, as a vestige of the Commission's detariffing of billing and collection services. The Notice

⁴ Notice, at para. 9.

provides all the reason necessary for elimination of this report: that “such lists are seldom used by the staff of the public.”⁵ Filing of this unused report should no longer be required.

5. Report on Inside Wiring Services. This report was originally adopted to give the Commission a means of monitoring activities related to regulation of inside wire services at the state level in light of the Commission’s decision not to regulate such services. However, the Notice does not suggest that this information is being used or even reviewed by the Commission. Nor is there any reason this information could not be provided to the Commission by a carrier on its own initiative if it perceives there to be a rift developing between federal and state policies. This report, too, can be eliminated.

B. Related Reports to be Eliminated or Reduced

1. BOC Enhanced Service Nondiscrimination Reports and Affidavits. The Commission’s Computer III and ONA orders impose on the BOCs an obligation to file reports or affidavits of nondiscriminatory installation, maintenance, and quality of network services in conjunction with their integrated offerings of enhanced services. The same reasons supporting removal of the filing requirements for CPE nondiscrimination reports above also support elimination of this requirement. Additionally, the Commission has acknowledged that these reports have shown no evidence of discrimination throughout the years that they have been required.⁶ Nor has there been any formal complaint of

⁵ Notice, at para. 10.

⁶ Computer III Further Remand Proceedings: Bell Operating Company Provision of Enhanced Services, Notice of Proposed Rulemaking, 10 FCC Rcd 8360, para. 29 (1995).

discrimination with respect to these activities during that time.⁷ Of course, the Commission would retain its complaint process as a means of resolving any such claim, should one arise. No need exists to retain this requirement, and it should be eliminated.

2. ARMIS Reports. In the Notice, the Commission proposed to reduce the frequency of filing ARMIS report 43-05 from quarterly to semi-annually. Subsequently, the Commission released an order⁸ rescinding this proposal and instructing that these reports may be filed annually, consistent with revisions to ARMIS reporting requirements prescribed by Section 402(b)(2)(B) of the Telecommunications Act of 1996.⁹

While this latter order is certainly an appropriate response to the new Act with respect to the specific ARMIS report raised by the Notice, it does not go far enough. Other ARMIS reports currently filed more frequently than annually, such as 43-01 (quarterly) and 43-06 (semi-annually), are equally governed by Section 402(b)(2)(B). The Commission should clarify that, to the extent these reports remain required at all, they need not be filed more frequently than annually.

Beyond changing the reporting cycle, the need for these and other reports must be reevaluated. For example, several reports have cost allocation information based upon procedures developed under cost-of-service and rate-of-return regulation. These reports

⁷ Id.

⁸ Revision of Filing Requirements and Implementation of Section 402 (b)(2)(B) of the Telecommunications Act of 1996: Annual ARMIS Reports, CC Docket No. 96-23, DA 96-381 (Mar. 20, 1996).

⁹ The Telecommunications Act of 1996, P.L. 104-104, 110 Stat. 56, §402(b)(2)(B) (1996).

have no relevance for a Price Cap LEC not subject to a sharing requirement and hence represent a regulatory anachronism that should be expunged.¹⁰

3. Miscellaneous. There are other reports that no longer serve a necessary regulatory purpose. For example, the report of interexchange carriers purchasing access is no longer needed since the Commission has declared AT&T non-dominant. Another needless report is the annual employment report for common carriers. A far more economical approach would be an annual certification statement by carriers that the company complies with all EEO and other relevant fair employment laws.

Modifying or eliminating reporting requirements as indicated above can be a significant step toward the Commission's objective of creating a more efficient regulatory framework. More important, these changes can be easily made, presenting the Commission an opportunity to immediately realize the benefits that will ensue. BellSouth encourages the Commission to remain ever vigilant in looking for and taking advantage of opportunities such as these to minimize the regulatory burdens on carriers and the public they serve.

¹⁰ Specifically, ARMIS Reports 43-01, 43-02, 43-03, and 43-04 as well as Report 495A/B should be eliminated. Another report which has no relevance for a Price Cap LEC not subject to sharing is the FCC 492A Interstate Earnings Report and, therefore, the report should be eliminated.

CONCLUSION

BellSouth applauds the Commission's initiatives in this proceeding and views them as an encouraging step in the right direction. Accordingly, BellSouth supports the actions proposed in the Notice.

Respectfully submitted,

BELLSOUTH CORPORATION and
BELLSOUTH TELECOMMUNICATIONS, INC.

By Their Attorneys

Handwritten signatures of M. Robert Sutherland and A. Kirven Gilbert III.

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